

NOTICE OF CHANGE IN TERMS for BECU CREDIT CARD ACCOUNTS

In November 2009, BECU sent out a Change in Terms to credit cardholders notifying them of a switch to a variable interest rate structure on their accounts. This change was made based on the impact of the Credit CARD Act of 2009. In January, 2010, federal regulators amended the Credit CARD Act by including additional provisions that affect variable rate credit card accounts. Based on the impact of these recent changes to BECU as well as member feedback, we made the decision to convert to a non-variable rate structure on BECU credit card accounts.

Please review this updated Change in Terms Notice carefully for specific details.

Summary Of Change In Terms

What is changing?

Currently the interest rate on your credit card account is variable. Beginning August 1st 2010, we will convert your variable interest rate to a ***non-variable*** rate.

What happens to my current interest rate?

Your actual interest rate will not change. The new non-variable **ANNUAL PERCENTAGE RATE** applicable to your credit card account as of August 1, 2010 will be the same as the current **ANNUAL PERCENTAGE RATE** that is disclosed on the first page of your statement.

Replacement Provisions to the Agreement.

To implement this change, we need to update your Consumer Loan and Credit Card Credit and Security Agreement. Effective August 1, 2010 the Agreement will be amended as follows:

Credit Card Interest Rate. Section I.C.6. of your Consumer Loan and Credit Card Credit And Security Agreement is revised to read:

6. Daily Periodic Rate (DPR) and ANNUAL PERCENTAGE RATE (APR). The DPR and corresponding APR used to calculate the **FINANCE CHARGE** for your Account will be stated on a document provided to you when you open your Account. (That document is a part of this Agreement.) After you open your Account, rate information will be provided in periodic statements that we send you.

How the Rate Change Applies to Balances

The non-variable rate will apply to transactions made on credit card accounts on or after the effective date of August 1, 2010. Any transactions made before that date will be subject to the existing variable rate and terms. While the existing rate is variable, it is currently set at the minimum rate for your account. Based on these terms, this means that transactions made before August 1, 2010 will continue to receive the minimum rate on your account (your current rate) until they are paid off. For accounts that are currently subject to a default or penalty rate, that rate will remain in effect until the account qualifies for the standard, non-default/penalty rate.

BECU wants to make sure you fully understand these changes to your account. If you have any questions or would like additional information, please contact us at 1-800-233-2328. As always, you can count on competitive rates, fewer fees and member-first service that come along with your locally-issued BECU Visa credit card.